

Key Features of Existing *SBAExpress* Program

(7/9/02)

- Lenders use many of their own procedures and paperwork.
- Lenders do credit analysis and may use credit scoring – SBA does not reanalyze credit.
- All loans processed centrally by the Sacramento PLP Center.
- Participation limited mostly to qualified PLP lenders, but some non-PLP lenders from rural areas also participate.
- Maximum loan amount limited to \$150,000.
- SBA guaranty limited to 50 percent.
- Revolving lines of credit loans eligible for extended terms.
- Loans may be accessed by credit cards.
- No collateral required for loans of \$25,000 or less.
- Lenders use their collateral policy for loans over \$25,000.
- Participants may use Internet or fax to transmit applications to SBA.
- Lenders must service and liquidate *SBAExpress* loans.
- All purchases handled in Fresno and Little Rock.

New Features of Enhanced *SBAExpress*

- *SBAExpress* includes a major new emphasis on increasing the numbers of small SBA loans, particularly loans of \$50,000 or less.
- It will be opened up to many additional lenders; as many as 2400 SBA lenders previously not meeting minimum *SBAExpress* volume requirements will be eligible. (These lenders must continue to meet an 85 percent currency rate requirement on SBA loans, be in good standing, etc. to be eligible.)
- The program will be offered to lenders not formerly participating with SBA, if they meet certain eligibility requirements.
- The maximum loan amount for *SBAExpress* (and Export Express) will be increased to \$250,000.
- Lenders will be allowed to charge up to 6.5 percent over prime rate for loans of \$50,000 or less and up to 4.5 percent over the prime rate for loans over \$50,000.
- SBA will expedite purchases of all *SBAExpress* loans with remaining balances of \$50,000 or less, all Export Express loans, and all *SBAExpress* loans where liquidation may be delayed.
- Qualified lenders will be authorized to make SBA eligibility determinations.
- Most *SBAExpress* loan applicants will be required to sign just one two sided SBA form, which is retained by the lender and is not sent on to the Agency.
- Qualified lenders will be required to forward only a single page of borrower information to the Agency.
- Lenders may opt to have Treasury liquidate all loans with remaining balances of \$50,000 or less, if there is no bankruptcy, foreclosure or cross-collateralization with another SBA loan.

